

AMENDED IN ASSEMBLY JUNE 28, 2016

AMENDED IN SENATE MAY 31, 2016

AMENDED IN SENATE MARCH 31, 2016

AMENDED IN SENATE MARCH 14, 2016

**SENATE BILL**

**No. 968**

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**Introduced by Senator Monning**  
**(Coauthor: Senator Jackson)**  
(Coauthor: Assembly Member Achadjian)

February 8, 2016

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An act to add Section 712.5 to the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 968, as amended, Monning. Diablo Canyon Units 1 and 2 powerplant.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. The Diablo Canyon nuclear powerplant, composed of reactor Units 1 and 2, is operated by the Pacific Gas and Electric Company in the County of San Luis Obispo. Existing law requires the commission to convene, or continue, until August 26, 2025, an independent peer review panel to conduct an independent review of enhanced seismic studies and surveys of the Diablo Canyon Units 1 and 2 powerplant, including the surrounding areas of the facility and areas of nuclear waste storage.

This bill would require the commission to cause an assessment to be completed by no later than July 1, 2018, conducted by an independent 3rd party, selected as specified, of the adverse and beneficial economic impacts, and net economic effects, that could occur, and of potential

ways for the state and local jurisdictions to mitigate the adverse economic impact, if the Diablo Canyon Units 1 and 2 powerplant were to temporarily or permanently shut down before the powerplant's current operating licenses expire or if the Pacific Gas and Electric Company were to decide not to pursue license renewal.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Pacific Gas and Electric Company.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 712.5 is added to the Public Utilities  
2 Code, to read:  
3 712.5. (a) (1) The commission shall cause an assessment to  
4 be completed by no later than July 1, 2018, of the adverse and  
5 beneficial economic ~~impacts~~ *impacts, and the net economic effects,*  
6 ~~for the region surrounding the County of San Luis Obispo, and the~~  
7 ~~net economic effects on that region; Obispo and the surrounding~~  
8 *regions,* that could occur if the Diablo Canyon Units 1 and 2  
9 powerplant were to temporarily or permanently shut down before  
10 the powerplant's current operating licenses from the Nuclear  
11 Regulatory Commission expire or if the Pacific Gas and Electric  
12 Company were to decide not to pursue license renewal. The  
13 assessment shall include a review, as described in paragraph (4)  
14 of subdivision (b), of potential actions for the state and local  
15 jurisdictions to consider in order to mitigate the adverse economic  
16 impact of a shutdown.  
17 (2) The assessment shall be conducted by an independent third  
18 party, selected in accordance with paragraph (1) of subdivision  
19 (c).  
20 (b) The assessment shall consist of, but not be limited to, all of  
21 the following:  
22 (1) Estimates of any changes in local tax revenues, changes in  
23 workforce populations, changes in indirect or induced economies,  
24 and potential impacts to ratepayers from a shutdown.  
25 (2) A review of the economic impacts that affected the region  
26 surrounding the San Onofre Nuclear Generating Station after it  
27 was decommissioned by the Southern California Edison Company

1 and of the relevant decommissioning plans of the San Onofre  
2 Nuclear Generating Station.

3 (3) A review of regions in the United States similar to ~~the region~~  
4 ~~surrounding~~ the County of San Luis Obispo *and the surrounding*  
5 *regions* that have experienced the decommissioning of a nuclear  
6 powerplant and of the resulting economic impacts of the  
7 decommissioning on those regions.

8 (4) Identification of any contingency plans that could mitigate  
9 the adverse economic impact of a shutdown to state and local  
10 jurisdictions, the local workforce, and entities receiving enhanced  
11 tax revenue.

12 (c) (1) The commission shall issue a request for proposal for  
13 the independent third party that will ensure that the selected party  
14 is able to make an independent review and analysis of the data  
15 described in subdivision (b).

16 (2) The independent third party shall consult with the Board of  
17 Supervisors of the County of San Luis Obispo, the governing board  
18 of the San Luis Coastal Unified School District, the Center for  
19 Labor Research and Education at the University of California at  
20 Berkeley, the regional economic development group of the County  
21 of San Luis Obispo, and other relevant governmental entities or  
22 community-based organizations to assist in an accurate assessment  
23 of the economic and workforce impacts of a shutdown.

24 (d) The commission shall make the assessment publicly available  
25 on its Internet Web site and place it as an item on the agenda at  
26 the next commission meeting after the assessment is made publicly  
27 available for purposes of collecting and recording public comment.

28 SEC. 2. The Legislature finds and declares that a special law  
29 is necessary and that a general law cannot be made applicable  
30 within the meaning of Section 16 of Article IV of the California  
31 Constitution because, currently, the Diablo Canyon Units 1 and 2  
32 powerplant, owned and operated by the Pacific Gas and Electric  
33 Company, is the last operating nuclear powerplant in California  
34 and its continued operation is uncertain as Diablo Canyon Units  
35 1 and 2 are only authorized to operate until 2024 and 2025,  
36 respectively. Local communities were ill-prepared and given no  
37 notice after the sudden closure of the San Onofre Nuclear  
38 Generating Station was announced on June 7, 2013, and the state  
39 is still responding, at significant cost, to the sudden, permanent,  
40 and unexpected loss of baseline electricity. Therefore, an

1 assessment is needed on the economic impact specific to a  
2 shutdown of the Diablo Canyon Units 1 and 2 powerplant to  
3 provide the state, and local communities, with valuable and  
4 necessary information to plan and prepare for that ~~circumstance,~~  
5 ~~if needed.~~ *circumstance.*

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